

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

MARY DESMOND, THOMAS ZIOBROWSKI,
PAUL WATTS on their own behalf and on
behalf of other participants in the defendant ERISA
Plans

Plaintiffs,

v.

Civil Action No. 05-cv-10355 NG

MORTON C. BATT, ANTHONY L. SCIALABBA,
CITISTREET, LLC,
SCIALABBA & MORRISON, P.C.,
ANTHONY L. SCIALABBA & ASSOCIATES,
P.C.

THE STANDARD AUTOMOTIVE 401(K) PLAN,
THE STANDARD AUTOMOTIVE EMPLOYER
CONTRIBUTION PLAN,

Defendants.

ELAINE L. CHAO, Secretary of Labor,
United States Department of Labor,

Plaintiff,

v.

MORTON BATT, JOHN E. ELLIOTT II,
ANTHONY L. SCIALABBA, and the
THE STANDARD AUTOMOTIVE 401(K) PLAN

Defendants/Third Party Plaintiffs

v.

CITISTREET, LLC,

Third Party Defendant

~~PROPOSED~~ NOTICE TO PARTICIPANTS

TO: ALL PARTICIPANTS IN THE STANDARD AUTOMOTIVE 401(K) PLAN

A proposed settlement has been reached with Defendants Morton Batt, John E. Elliott II, Anthony Scialabba, Anthony L. Scialabba and Associates, P.C. White and Williams, P.C. and CitiStreet, LLC regarding claims of ERISA violations.

Plaintiffs Mary Desmond, Thomas Ziobrowski and Paul Watts on behalf of themselves and other participants in the Standard Automotive 401(k) Plan (the "Plan") filed suit in February 2005 in the District of Massachusetts alleging, among other things, that certain defendants had violated their fiduciary duties under ERISA in taking or allowing excessive fees to be paid from the Plan in the amount of approximately \$700,000. In August 2005, the Secretary of Labor filed suit in the District of New Jersey making similar allegations of ERISA violations against certain of the Defendants. The Judicial Panel on Multidistrict Litigation consolidated the actions in this Court effective October 4, 2006.

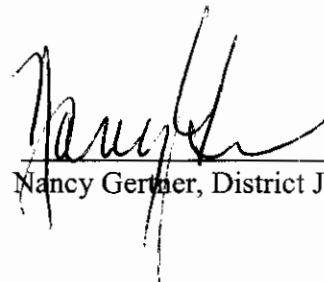
The Defendants deny the allegations, and deny any liability relating to Plaintiffs' claims. The Court has yet to make any ruling on the merits of Plaintiffs' claims or Defendants' defenses.

The parties, including the Secretary of Labor, have reached a proposed settlement of the actions that will result in restitution to the Plan of approximately \$713,000. Of this amount, Plaintiffs' counsel has moved for attorney's fees of \$100,000 and expenses of no more than \$6,000. In addition, \$34,000 will be paid to the Department of Labor as a mandatory government assessment. The remaining amounts will be returned to the Plan, and the Independent Fiduciary will use those amounts to defray the costs of termination and distribution of the Plan and distribute the remaining amounts pro rata to the existing Plan participants.

The Court has granted preliminary approval to the proposed settlement. A fairness hearing is scheduled for ~~June~~ ^{July} 11, 2007 at 1 ^{930 A.} p.m. in the United States District Court for the District of Massachusetts. You do not need to attend, but may attend and be heard orally. If you have any comments or objections regarding the proposed settlement, they must be received in writing at the United States District Court, John Joseph Moakley Courthouse, 1 Courthouse Way, Boston, MA 02210 no later than June 28, 2007.

BY ORDER OF THE COURT

Date 5/23/07



Nancy Gertner, District Judge